GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:356
ANSWERED ON:27.03.2017
Industrialisation of Backward States
Salim Shri Mohammad;Yeddyurappa Shri B. S.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has identified industrially backward States/ regions/districts in the country and if so, the details thereof;

(b) whether the Government proposes to formulate any specific policy/scheme for these States to create a favourable investment environment and if so, the details thereof, State/UT-wise including Karnataka;

(c) whether the Government proposes to formulate any scheme for setting up of forest based industries in the country; and

(d) if so, the details thereof, State/ UT-wise, including Karnataka?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (d): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STRRED QUESTION NO. 356 FOR ANSWER ON 27.03.2017.

(a) & (b): The primary responsibility of industrial development of backward areas rests with the State Governments. The Union Government supplements their efforts through various Schemes launched by it with a view to promote industrialization in industrially backward areas of the country.

Department of Industrial Policy & Promotion (DIPP) is implementing the following Schemes with a view to promote industrial development of backward areas of the country:

â€¢ North East Industrial and Investment Promotion Policy (NEIIPP 2007) was notified for the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura w.e.f. 01.04.2007. It has been extended till 31.03.2017 with certain modifications. Incentives provided under the Policy :-

? Central Capital Investment Subsidy Scheme
? Central Interest Subsidy Scheme
? Comprehensive Insurance Scheme
? Excise duty exemption on Value Addition basis and
? 100% Income Tax exemption

â€¢ Special Package Scheme for Himachal Pradesh and Uttarakhand:

Government of India had announced a package of industrial incentives for promoting industrialization in the States of Himachal Pradesh and Uttarakhand on 07.01.2003, which was implemented initially for a period of 10 years till 06.01.2013. It was further extended for another period from 07.01.2013 to 31.03.2017 with certain modifications. Under the modified package, Capital Investment Subsidy is provided for all new units and to the existing units on substantial expansion @15% of investment of plant & machinery subject to a ceiling of Rs. 50 lakh for MSME units and Rs. 30 lakh for others.

â€¢ Special Package Scheme for Jammu & Kashmir (J&K)

For the State of Jammu & Kashmir, the modified Special Package Scheme is valid upto 14.06.2017. Under this Scheme following financial assistance is provided:

â€¢ Capital Investment subsidy for all new units and to the existing units on substantial expansion- for MSME @ 30% of investment in plant and machinery with a ceiling of Rs 3 crore for Manufacturing units and Rs1.5 crore for Service Units, whereas for other units it is @ 15% of investment in plant and machinery with a ceiling of Rs 30 lakh.

â€¢ Interest subsidy @ 3% on the average daily working capital loan for a period of five years from the date of commencement of commercial production.

â€¢ Insurance subsidy for all new units and to the existing units on substantial expansion to the extent of 100% for a period of five years from the date of commencement of commercial production.

â€¢ Freight Subsidy Schemes (FSS), 2013 / Transport Subsidy Scheme (TSS), 1971

â€¢ Transport Subsidy Scheme for the States of Himachal Pradesh, Uttarakhand, J&K, Darjeeling district of West Bengal, Andaman and Nicobar Islands, Lakshadweep Islands and 8 North Eastern States- This scheme has been discontinued w.e.f. 22.11.2016

Government of India has constituted a Committee under the Chairmanship of CEO, NITI Aayog consisting of Secretaries of Ministries/Departments of Development of North Eastern Region (DONER), Skill Development and Entrepreneurship, MSME, Textiles, Commerce, Tourism, Health & Family Welfare, Expenditure, Power and DIPP to examine and suggest a roadmap for a new industrial policy for North Eastern and Himalayan States. The first Meeting of the Committee was held on 23.02.2017 in New Delhi to deliberate upon a new industrial policy and stakeholder consultations are being held.

(c) & (d): The current Schemes for North Eastern States, Uttarakhand, Himachal Pradesh and Jammu & Kashmir include financial assistance to forest based industries also. As per Ministry of Environment, Forest and Climate Change, there is no proposal to formulate any Scheme for setting up of forest based industries in the Country. However, as per the directions of Hon'ble Supreme Court dated 05.10.2015, the Ministry has formulated "The Wood Based Industries (Establishment and Regulation) Guidelines 2016" and the same has been published in Gazette of India on 16.11.2016.

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